

Terms and Conditions for Realtors to sell our Short Sale Properties

The following is what is considered “Customary And Usual for selling Short Sale Deals”

1. We “Seller” shall not pay any closing costs or fees. The sales price of the subject property shall be the agreed sales price “**NET TO SELLER**”!
2. We “Seller” shall deliver the property with a clear title free of all encumbering liens.
3. We “Seller” shall not pay for title insurance.
4. Our “Seller’s” title company must facilitate each closing. There is and can be no exceptions. Our title company has the expertise in closing short sale deals and will ensure a smooth and stress free closing transaction.
5. There shall be no prorating of taxes.
6. We “Seller” will not pay for utilities to be turned on for inspections or for any reason.

As our realtor representing our company, please understand and make yourself familiar with our process in selling our “short sale” negotiated homes.

The reason for our structure regarding what we pay or won’t pay in closing costs and fees are as follows. When you understand this, it will be much easier to pass this information onto the end buyer so the end buyer understands why they pay all closing costs on the second close.

It is you, the Realtor’s responsibility to inform the buyer in a positive manner on the front end that we as the seller have extensive closing costs just to be able to present the property for sale to them. When the buyer has this understanding, they typically will not have any problems paying all the closing costs on the second close having the understanding they are still getting a great wholesale/short sale deal. We, as the sellers will be willing to raise the purchase price as much as the buyer’s lender allows going towards buyers closing costs.

Our process in selling short sale negotiated property includes two separate closings. The first closing is as follows:

1. We will have a complete set of closing costs and private lender fees as the buyer of the property from the seller in default. This is expensive. We typically pay for all closing costs, private loan fees, and all other fees and many times other liens encumbering the property to clear the title so that we can offer the subject property for sale to a third party at the second closing.

This may include delinquent utility bills, usually back taxes, liens from the city or county, mechanics liens from water softeners, solar panels and even court fines and judgments from defaulted sellers parking fines to court ordered substance abuse classes and public defender fees.

These “little foxes” can add up real quick to thousands that will have to be paid off to clear title for us to offer the property for sale to a third party. Please remember that we also have our expenses to our negotiators for their negotiations with the lenders in default for the short sale itself. We have even settled lawsuits and paid off the pissed off next-door neighbor to release the suit so title could close.

2. Short sale deals are not what I call customary and usual. In the past in dealing with the rare uninformed and uneducated realtors in the area of short sale transactions and closings, these types of realtors have a hard time wrapping their minds around the way in which we close our short sale deals. As you can see, what is normal customary and usual for closing costs are not customary and usual for our short sale deal closing costs.

3. I call this Realtor’s mindset of being an “in the box” type of mentality. With all the changes and continued adjustments almost on a weekly basis, as real estate professionals we have to take on a mindset of “adapt or die”.

4. As a short sale service provider we will continue to look for ways to cut costs and fees as long as our closings are legal and moral and ethical we will entertain and explore cutting edge out of the box thinking ways to close our short sale deals.

7. When we are dealing with a sophisticated cash buyer, we will explore avenues to assign the short sale deal through an assignment of contract or creating and LLC to purchase the defaulted property of which my company can sell this LLC to our end buyer. As long as these types of closings are available to us and approved by our attorneys and by our title companies, we will be open to creative ideas to do real estate and entertain alternative ways to close a short sale all cash deals. As of this writing the assignment of contract window is still available, however we will look to realtors for their opinion regarding the type of buyer we have under contract.

If an assignment or LLC approach, for our all cash buyer is too aggressive and beyond the buyers comfort zone, we will obviously close with two separate closes with the all cash buyer.

If we over disclose and operate our real estate business legally with good morals and ethics, title underwriters will approve our deals and get us closed quicker with minimal or no stipulations at all!

We desire to collaborate with Realtors that are innovative out of the box thinkers that understand our needs and processes in how we do short sale deals. In no way are we asking our Realtors to jeopardize their licensing or to participate with any business practices that are illegal, immoral or unethical.

Likewise, please do not ask us to participate with questionable business practices that may be deemed illegal, immoral and unethical.

In summary:

Our short sale transactions will proceed as follows:

- The first close will be with the seller in default. We pay for all closing costs. Ten minutes later, as seller, we close with the end buyer. End buyer pays all closing costs. We make a profit from the difference in the short sale price and the sales price to the end buyer.
- We pay 6% commissions to Realtors based on the end buyer's sales price. End buyer gets a great deal on a house marked down thousands of dollars under seller in defaults payoff.
- Realtors make their 6% commissions without taking a discount from lender in default.
- If Realtor wants me to pay closing costs on the second close without raising the purchase price, then their commissions will not be 6%. That is why we have addendums. Everything has to be in writing and signed off to avoid misunderstandings.
- Realtors no longer need to negotiate their own short sales. We have a company that will negotiate that for them through us.
- Realtor's list properties, find buyers, sell the discounted property, and cash commission checks.

As a Realtor, if this makes sense to you and you can be in agreement with our short sale business practices and how we close our real estate transactions then you are an out of the box thinker, are positive and surely will be successful in making money in your real estate business

A Realtor like this is the type of business professional we want to do business with.